

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

|  |                                |  |                 |
|--|--------------------------------|--|-----------------|
| Local Government Type:<br><input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other |                                | Local Government Name:<br>19th District Court of Michigan - City of Dearborn, Michigan | County<br>Wayne |
| Audit Date<br>June 30, 2005  | Opinion Date<br>August 9, 2005 | Date Accountant Report Submitted To State:<br>October 31, 2005                         |                 |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- |   |   |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132])   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

| We have enclosed the following:                                     | Enclosed                 | To Be Forwarded          | Not Required                        |
|---|--------------------------|--------------------------|-------------------------------------|
| The letter of comments and recommendations.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Reports on individual federal assistance programs (program audits). | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Single Audit Reports (ASLGU).                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

|   |                    |                   |              |
|---|--------------------|-------------------|--------------|
| Certified Public Accountant (Firm Name): <b>Plante &amp; Moran, PLLC</b>                                    |                    |                   |              |
| Street Address<br>27400 Northwestern Hwy.   | City<br>Southfield | State<br>Michigan | ZIP<br>48034 |
| Accountant Signature<br> |                    |                   |              |

# **19<sup>th</sup> District Court of Michigan City of Dearborn**

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**Financial Report  
with Additional Information  
June 30, 2005**

# **19<sup>th</sup> District Court of Michigan**

## **City of Dearborn**

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### **Contents**

|                      |          |
|----------------------|----------|
| <b>Report Letter</b> | <b>I</b> |
|----------------------|----------|

#### **Financial Statement**

|   |   |
|---|---|
| Statement of Net Assets - Fiduciary Funds | 2 |
|---|---|

|                               |   |
|-------------------------------|---|
| Notes to Financial Statements | 3 |
|-------------------------------|---|

|                      |          |
|----------------------|----------|
| <b>Report Letter</b> | <b>4</b> |
|----------------------|----------|

#### **Additional Information**

|  |   |
|--|---|
| Schedules of Cash Receipts and Disbursements | 5 |
|--|---|



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## Independent Auditor's Report

To the Judges of the 19<sup>th</sup> District Court,  
Honorable Mayor, and Members  
of the City Council  
Dearborn, Michigan

We have audited the statement of net assets of the 19<sup>th</sup> District Court of Michigan (a component unit of the City of Dearborn, Michigan) as of June 30, 2005. This financial statement is the responsibility of the 19<sup>th</sup> District Court of Michigan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of net assets referred to above presents fairly, in all material respects, the financial position of the 19<sup>th</sup> District Court of Michigan as of June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

The 19<sup>th</sup> District Court of Michigan has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Plante & Moran, PLLC*

August 9, 2005

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# 19<sup>th</sup> District Court of Michigan City of Dearborn

## Statement of Net Assets Fiduciary Funds June 30, 2005

|                                | Depository<br>Account   | Trust<br>Account         | Total                    |
|--------------------------------|-------------------------|--------------------------|--------------------------|
| <b>Assets</b>                  |                         |                          |                          |
| Cash                           | \$ 50,000               | \$ 25,000                | \$ 75,000                |
| Deposits with City of Dearborn | <u>5,800</u>            | <u>283,358</u>           | <u>289,158</u>           |
| Total assets                   | <u><b>\$ 55,800</b></u> | <u><b>\$ 308,358</b></u> | <u><b>\$ 364,158</b></u> |
| <b>Liabilities</b>             |                         |                          |                          |
| Due to District Control Unit   | \$ 55,800               | \$ -                     | \$ 55,800                |
| Bonds and other deposits       | <u>-</u>                | <u>308,358</u>           | <u>308,358</u>           |
| Total liabilities              | <u><b>\$ 55,800</b></u> | <u><b>\$ 308,358</b></u> | <u><b>\$ 364,158</b></u> |

# **19<sup>th</sup> District Court of Michigan City of Dearborn**

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## **Notes to Financial Statements June 30, 2005**

### **Note 1 - Significant Accounting Policies**

The funds of the 19<sup>th</sup> District Court of Michigan (the “District Court”) are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. The operations of the funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District Court has been consolidated as a component unit in the financial statements of the City of Dearborn.

### **Note 2 - Cash**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

Certain deposits of the District Court are held at the City of Dearborn in the City’s pooled account. That pooled account invests in many different items. The District Court is unable to specifically identify the components of the pooled account that relate to the Court’s deposits. See the City of Dearborn’s financial statements for more complete information.

The District Court’s cash and investments are subject to certain risks. The most substantial risk is examined in more detail below.

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the District Court’s deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$52,248 of bank deposits (certificates of deposit checking and savings accounts). The entire amount was covered by federal depository insurance.

## **Additional Information**

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To the Judges of the 19<sup>th</sup> District Court,  
Honorable Mayor, and Members  
of the City Council  
Dearborn, Michigan

We have audited the statement of net assets of the 19<sup>th</sup> District Court of Michigan as of June 30, 2005. Our audit was made for the purpose of forming an opinion on this financial statement taken as a whole. The additional information listed in the table of contents for the year ended June 30, 2005 is presented for the purpose of additional analysis and is not a required part of the financial statement of the 19<sup>th</sup> District Court of Michigan. This information has been subjected to the procedures applied in the audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

*Plante & Moran, PLLC*

August 9, 2005

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# 19<sup>th</sup> District Court of Michigan City of Dearborn

## Schedules of Cash Receipts and Disbursements Year Ended June 30, 2005

|  | Depository<br>Account   | Trust Account           |
|--|-------------------------|-------------------------|
| <b>Cash Balance - July 1, 2004</b>             | \$ 50,000               | \$ 25,000               |
| <b>Receipts</b>                                |                         |                         |
| Fines and fees collected                       | 4,229,255               |                         |
| Bonds and other deposits                       | <u>188,536</u>          | <u>1,150,629</u>        |
| Total receipts                                 | 4,417,791               | 1,150,629               |
| <b>Disbursements</b>                           |                         |                         |
| Transfers to:                                  |                         |                         |
| District Control Unit General Fund             | 3,023,214               |                         |
| State of Michigan                              | 1,024,353               |                         |
| Wayne County                                   | 60,764                  |                         |
| Secretary of State                             | 106,563                 |                         |
| Bonds, other deposit refunds, and witness fees | <u>202,897</u>          | <u>1,150,629</u>        |
| Total disbursements                            | <u>4,417,791</u>        | <u>1,150,629</u>        |
| <b>Cash Balance - June 30, 2005</b>            | <u><u>\$ 50,000</u></u> | <u><u>\$ 25,000</u></u> |